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11 August 1952

MEMORANDUM TO: Deputy Director (Administration)

FROM: Chief, Administrative Staff (Special)

SUBJECT: Revision of Allowance Regulations

- REFERENCE:
1. Memorandum 25 June 1952 from the Acting Deputy Director (Administration) to Acting Assistant Director (Personnel) and Chief, Administrative Staff (Special) re above subject.
  2. Memoranda referenced in 1. above.

Problem:

1. To revise and consolidate Agency allowance regulations into a uniform cohesive statement of Agency allowance policies and to provide for proper administration thereof. This involves:

(a) Reaffirmation of Agency policy to conform to Standardized Government Civilian Allowance and Differential regulations.

(b) Clarification and redefinition of the various types of supplementary allowances the Agency may authorize so the intent and justification will be sufficiently precise to ensure equitable and proper administration.

(c) Establishment of centralized procedures for the computation, authorization, processing and control of normal and special allowances.

Posts:

1. Authorities for granting allowances are scattered in Agency regulations among many different officials. The Personnel Director, the Special Contracting Officer, Assistant Directors, the Comptroller, and the Chief, Finance Division, are all charged with responsibilities and have authority to authorize and grant standardized and special allowances and

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2. The Agency does not have effective machinery for obtaining or utilizing the data on local economic conditions at overseas posts needed for the proper determination of special allowances, nor has it effective machinery for establishing the standards within which these allowances should be granted.

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Discussion:

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1. Agency Regulation [REDACTED] A. authorizes Chiefs of Mission and the Chief, Personnel Division to authorize allowances and differentials to eligible U. S. citizen employees. Allowances authorized by Chiefs of Mission are subject to review by the Fiscal Division, Finance Office. Responsibility and authority for establishing and granting allowances is thus divided and decentralized and tends to introduce confusion and inconsistency in allowance administration.

2. It is further provided in this Regulation that the employee shall make application for allowances. Certain types of allowances are entitlements for which the employee should never be required to make application. The existing regulation does not make clear the distinctions between those allowances which are entitlements and those for which application must be made nor the conditions or circumstances which require application.

3. Quarters and post allowances are in fact basic entitlements at posts where conditions warrant their payment and where the individual meets the basic criteria of eligibility established for these allowances. They should be authorized in the personnel action which affects the individual assignment to a given post. They should be set forth in detail in order that the individual will clearly understand the allowances granted, and his accounting responsibilities. There is a need, therefore, for reaffirming and clarifying Agency policy regarding the authorization and granting of normal allowances to Agency personnel serving overseas.

4. A much more serious situation exists regarding the authorization, granting, and administration of [REDACTED]

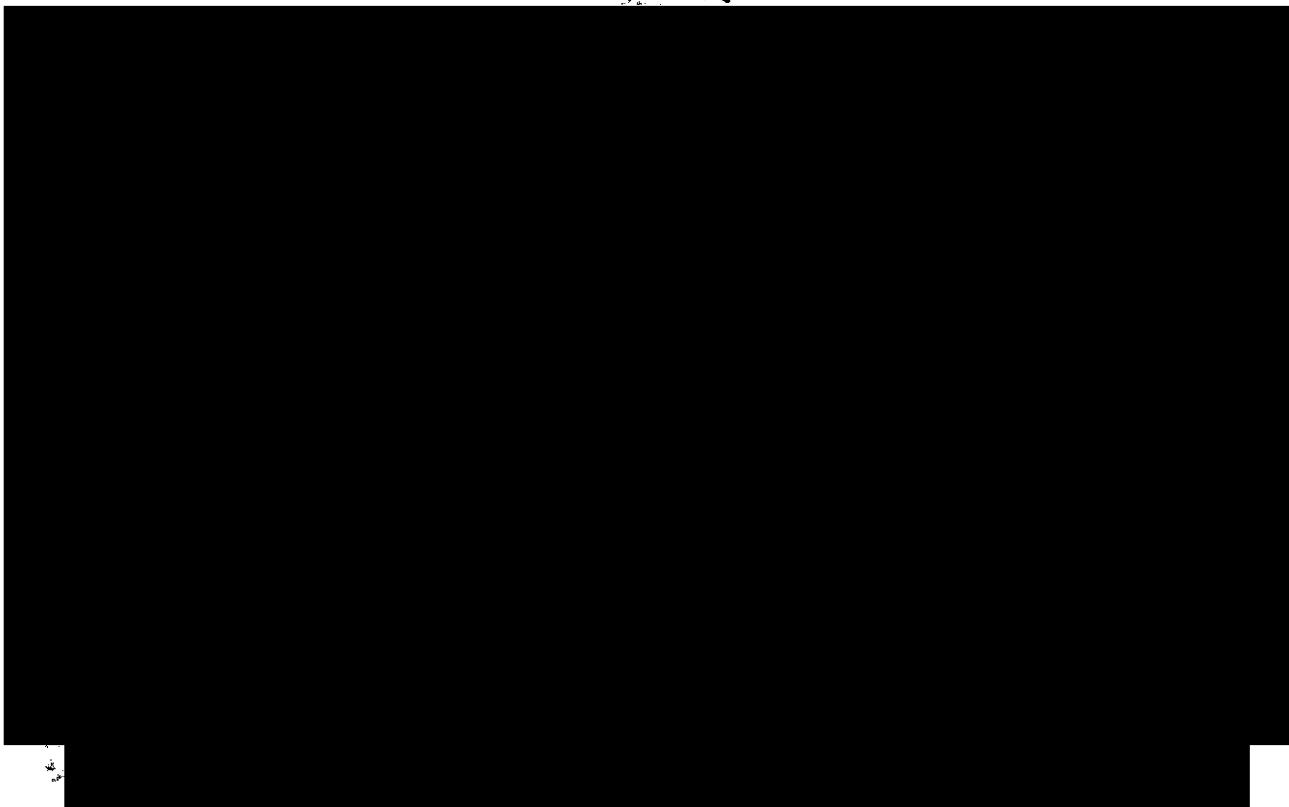
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[REDACTED] is a very broad authorization for the granting of "Special Living Allowances". These allowances are inadequately defined; there are no criteria or standards for establishing proper, justifiable amounts; there are no criteria for determining eligibility; there is no procedure for establishing or defining their relationship to other allowances granted an individual, and, consequently, there is no mechanism which can be implemented for their proper administration.

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8. In order for these allowances to be effective, justifiable, adequately defined and properly administered, there must be a central authority for authorizing them, a central point for the accumulation of data, and a central point for computing the allowances. Furthermore, there should be a central authority for setting them forth in a single document of authorization to establish and maintain their relationship, and facilitate their administration, review and control.

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9. The proposed regulations are intended to provide:

- (a) more clearly defined allowances and allowance standards;
- (b) equitable and justifiable determination of amounts and duration of allowances;
- (c) consistent sources for the computation, authorization and granting of allowances;
- (d) the issuance of a single documentary Letter of Authorization and Instructions to the individual concerned setting forth all authorized special allowances and directing the type and method of accountability required.

Recommendations:

1. It is recommended that the attached proposed regulations be published in the Agency Manual and Confidential Funds Regulations as indicated.

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